R RAMANI M RAMALINGAM & ORS v. DELUXE EXCLUSIVE LOUNGE SDN BHD & ANOTHER CASE

HIGH COURT MALAYA, KUALA LUMPUR
WONG KIAN KHEONG JC
[CIVIL SUITS NO: 22IP-32-06-2016 & 22IP-33-06-2016]
21 DECEMBER 2016

CIVIL PROCEDURE: *Court – Transfer of suits – Infringement of copyright – Application to transfer suits from Intellectual Property High Court in Kuala Lumpur to High Court Johor Bahru – Allegation that facts on which suits were based occurred in Johor Bahru – Witnesses resided in Johor Bahru – Whether it was in interest of justice to transfer suits from Kuala Lumpur to Johor Bahru – Whether transfer of suits would defeat purpose of having Intellectual Property Court – Proper forum to try suits – Courts of Judicature Act 1964, s. 23(1)(a), (b) & (c) – Rules of Court 2012, O. 57 r. 1(4)(A), (B) & (C)*

The second and third plaintiffs ('the plaintiffs') filed two suits at the Intellectual Property High Court ('the IPC) in Kuala Lumpur against the defendants for alleged infringement of the copyright in sound and/or karaoke recordings. The defendants filed two applications to transfer the two suits to the Johor Bahru High Court ('the JBHC'). In support of the two applications, the defendants submitted that (i) the cause of action for the two suits arose in Johor Bahru; (ii) the defendants' business premises were in Johor Bahru; (iii) the facts on which the two suits were based, occurred in Johor Bahru; (iv) the above three facts (a) fell under s. 23(1)(a) to (c) of the Courts of Judicature Act 1964 ('the CJA'); and (b) fulfilled O. 57 r. 1(4)(A), (B) and (C) of the Rules of Court 2012 ('the ROC'); (v) it was in the interest of justice to transfer the two suits to the JBHC as all the defendants' witnesses resided in Johor Bahru; (vi) there was no Practice Direction or Circular which has expressly provided that only the IPC could hear intellectual property ('IP') disputes in West Malaysia. Objecting the two applications, the plaintiffs argued that (i) the IPC was the proper forum to try the two suits as the very purpose of establishing the IPC was to deal with IP disputes; (ii) there was no prejudice to the defendants if the two suits were tried at the IPC (a) as travelling between Kuala Lumpur and Johor Bahru was common and could be easily done in one day; (b) if the two suits were decided in the defendants' favour, the defendants would be adequately compensated in costs; and (c) if the two suits were disposed of summarily, trials would not be held and witnesses need not travel from Johor Bahru to Kuala Lumpur; and (iii) even if s. 23(1) of the CJA was not satisfied in the two suits, the court has inherent powers under s. 23(2) of the CJA to hear the two suits.

Held (dismissing applications):

(1) By virtue of art. 121(1)(a) of the Federal Constitution, the IPC, as a High Court in Malaya, has jurisdiction as conferred by the Federal law. The CJA is a Federal law and s. 23(1) of the same Act is a provision which expressly confers jurisdiction on the High Court to try cases. According to s. 3(a) of the CJA, the local jurisdiction of the High Court in Malaya comprises the territory comprised in the States of Malaya, including Federal Territory. As such, the IPC has the jurisdiction to try all cases within its local jurisdiction, West Malaysia, which fall within any one of the paras (a) to (d) of s. 23(1) of the CJA. Accordingly, the IPC has the jurisdiction to try these two suits. (para 11)

(2) Order 57 r. 1(1) of the ROC provides a discretionary power for the court to transfer cases. In exercising this discretionary power, two cumulative conditions must be fulfilled, namely, the court (i) 'shall take into consideration' the matters enumerated in O. 57 r. 1(4)(A) to (E) of the ROC; and (ii) the court 'is satisfied that any proceedings in that court can be more conveniently or fairly tried in some other court'. (para 13)

(3) All the parties may consent to a court order under O. 38 r. 2(1) of the ROC to allow the witnesses to testify in Johor Bahru through Skype. Even if the defendants' witnesses had to travel from Johor Bahru to testify at the IPC, if the defendants succeed at the end of the trial, the defendants would be sufficiently compensated in respect of all the expenses incurred by the defendants' witnesses, in the form of costs to be paid by the plaintiffs to the defendants. (para 14)

(4) Despite the fact that the three facts were relevant under O. 57 r. 1(4)(A) to (C) of the ROC, the court declined to exercise its discretion to transfer the two suits to JBHC. There was no affidavit evidence to show why the two suits could not be 'fairly tried' at the IPC. The two suits could be also be more conveniently tried at the IPC which specialises solely in IP matters. Furthermore, the very objective of establishing the IPC would be defeated by allowing the transfer of the two suits to the JBHC. In fact, IP cases which have been filed in West Malaysia in High Courts outside Kuala Lumpur, should be transferred to the IPC under O. 57 r. 1(1) of the ROC so as to achieve the very purpose of constituting the IPC. (para 14)

Case(s) referred to:

American Express Bank Ltd v. Mohamad Toufic Al-Ozeir & Anor [1995] 1 CLJ 273 SC ***(refd)***

Asia Debut Sdn Bhd v. Kementerian Pendidikan Malaysia & Ors [2014] 1 LNS 1339 HC ***(refd)***

China Harbour Engineering Co Ltd v. Lunar Shipping Agencies Sdn Bhd [2016] AMEJ 1185 ***(refd)***

Goodness For Import And Export v. Phillip Morris Brands SARL [2016] 7 CLJ 303 FC ***(refd)***
Hap Seng Plantations (River Estates) Sdn Bhd v. Excess Interpoint Sdn Bhd & Anor [2016] 4 CLJ 641 FC ***(refd)***
Jayasankaran v. PP [1983] 1 CLJ 171; [1983] CLJ (Rep) 182 FC ***(refd)***
Malacca Securities Sdn Bhd v. Loke Yu [1998] 3 CLJ 22 HC ***(refd)***
Megat Najmuddin Dato' Seri (Dr) Megat Khas v. Bank Bumiputra (M) Bhd [2002] 1 CLJ 645 FC ***(refd)***
Ooi Bee Tat v. Tan Ah Chim & Sons Sdn Bhd & Anor And Another Appeal [1995] 4 CLJ 484 CA ***(refd)***
Panaron Sdn Bhd v. Univac Switchgear Sdn Bhd [2015] 2 CLJ 286 HC ***(refd)***

Legislation referred to:
Companies Act 1965, s. 16(5)
Copyright Act 1987, s. 37(7)
Courts of Judicature Act 1964, ss. 3(a), 4, 20, 23(1)(a), (b), (c), (2), Schedule para 12
Federal Constitution, arts. 121(1)(a), 160(2)
Rules of Court 2012, O. 34 r. 2(2)(e), O. 38 r. 2(1), O. 57 rr. 1(1), (4)(A), (B), (C), (E), O. 59 r. 7(4)

For the plaintiffs - Su Siew Ling & Khon Chee Peng; M/s Zaid Ibrahim & Co
For the defendant - Mohd Fairuz Mahmood; M/s Mohd Akhir & Partners

Reported by Najib Tamby

JUDGMENT

Wong Kian Kheong JC:

Sole Issue

[1] This judgment concerns two suits – Civil Suit No. 22IP-32-06-2016 (first suit) and Civil Suit No. 22IP-33-06-2016 (second suit). The first and second suits shall be referred to in this judgment as the "two suits".

[2] The two suits raised a novel question of whether the Intellectual Property High Court in Kuala Lumpur (IP Court) should exercise its discretion under O. 57 r. 1(1) of the Rules of Court 2012 (RC) to transfer the two suits to the Johor Bahru High Court (JB Court) for the following reasons:

(i) the cause of action arose in Johor Bahru (JB);

(ii) the defendants in the two suits (defendants) have their place of business in JB; and

(iii) the facts on which the two suits are based, occurred in JB.

Background

[3] The two suits have been filed by three plaintiffs. On 25 August 2016, only the first plaintiff (first plaintiff) discontinued the two suits with costs of RM1,000 for each case to be paid by the first plaintiff to each of the

defendants. Henceforth, the two suits are proceeded with by the second and third plaintiffs (second and third plaintiff). This judgment will refer to the second and third plaintiffs as the "plaintiffs".

[4] In these two suits, the plaintiffs pleaded as follows, among others, in their statements of claim (two SOC):

(i) the plaintiffs carry on for commercial purposes, among others, the recording of songs and other performances by singers and artists, the making and production of sound recordings, audio-visual recordings and karaoke recordings;

(ii) the second plaintiff owns the copyright in the sound and/or karaoke recordings entitled "Gadis Melayu" (first work) and "Seroja" (second work) by Dato' Jamal Abdillah;

(iii) the third plaintiff is the copyright owner of "Percayalah" (third work) and "Cindai" (fourth work) by Dato' Siti Nurhaliza;

(iv) in the first suit, the first defendant company (first defendant) has its:

(a) registered address in Muar, Johor; and

(b) business address in JB (first defendant's business premises);

(v) in the second suit, the second defendant company (second defendant) has its registered and business addresses (second defendant's business premises) in JB;

(vi) the records of the Companies Commission of Malaysia show that:

(a) the first defendant operates a "nightclub" business; and

(b) the second defendant's business is "clubhouse, music karaoke, amusement and recreation centre";

(vii) on or around 13 December 2012, 21 April 2013, 2 July 2015 and 25 August 2015, licensing officers from Recording Industry Association of Malaysia (RIM) had visited the first defendant's business premises and found that the first defendant had stored, reproduced and/or played the sound and/or karaoke recording of the first to third works for the purposes of the first defendant's nightclub business without the plaintiffs' license, permission or consent;

(viii) on or about 25 August 2015, the Enforcement Division of the Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK) had raided the first defendant's business premises and seized, among others, the first defendant's server which consisted the first to third works;

(ix) on or around 13 December 2012 and 25 August 2015, RIM's licensing officers had visited the second defendant's business premises and found that the second defendant had stored, reproduced and/or played the sound and/or karaoke recording of the first and fourth works for the purposes of the second defendant's business as a "clubhouse, music karaoke, amusement and recreation centre" without the plaintiffs' license, permission or consent;

(x) on or about 25 August 2015, KPDNKK raided the second defendant's business premises and seized, among others, the second defendant's server which consisted the first and fourth works; and

(xi) the defendants had infringed the plaintiffs' copyright in the first to fourth works and the plaintiffs prayed for the following relief against the defendants, among others:

(a) a permanent injunction to restrain the defendants from infringing the plaintiffs' copyright in the first to fourth works;

(b) a publication of full apology by the defendants to the plaintiffs:

(i) in terms, content and format acceptable to the plaintiffs;

(ii) in three daily newspapers of the plaintiffs' choice; and

(iii) of a size and at a page of the newspapers to be specified by the plaintiffs;

(c) an inquiry of damages and payment of damages by the defendants to the plaintiffs after such an inquiry;

(d) additional damages pursuant to s. 37(7) of the Copyright Act 1987; and

(e) aggravated damages.

Defendants' Two Applications (Two Applications)

[5] The two applications are:

(i) Court encl. no. 5 in the first suit; and

(ii) Court encl. no. 4 in the second suit

– to transfer the two suits to JB Court.

[6] The defendants are represented by learned counsel, Encik Mohd Fairuz bin Mahmood (Encik Mohd Fairuz) while Ms Su Siew Ling (Ms Su) acted for the plaintiffs.

[7] All the parties agreed for the two applications to be heard together as the two applications concerned the sole question of whether the IP Court should exercise its discretion to transfer the two suits to JB Court.

[8] In support of the two applications, Encik Mohd Fairuz submitted as follows, among others:

(i) the cause of action for the two suits arose in JB;

(ii) the defendants' business premises are in JB (defendants' business premises). This is clear from KPDNKK's raid on the defendants' business premises;

(iii) the facts on which the two suits are based, occurred in JB;

(iv) the above three facts (three facts):

(a) fall under s. 23(1)(a) to (c) of the Courts of Judicature Act 1964 (CJA); and

(b) fulfil O. 57 r. 1(4)(A), (B) and (C) of the RC;

(v) the following reasons make it desirable in the interest of justice to transfer the two suits to JB Court within the meaning of O. 57 r. 1(4)(E) of the RC:

(a) all the defendants' witnesses reside in JB. KPDNKK's officers who raided the defendants' business premises, are based in JB. If the two suits are tried in the IP Court, the defendants' witnesses and KPDNKK's officers have to expend time, effort and expense to travel from JB to testify in the IP Court;

(b) the defendants' servers (servers) are in KPDNKK's custody in JB. If the IP Court tries the two suits, KPDNKK's officers have to bring the servers to the IP Court; and

(c) in view of the above reasons, the plaintiffs have abused court's process by filing the two suits in the IP Court when the plaintiffs could have easily instituted the two suits in the JB Court. The same solicitors for the plaintiffs in these two suits had filed six other copyright infringement cases for other clients against other defendants in the Kuala Lumpur subordinate courts (six other cases). The six other cases could have easily been filed in JB subordinate courts (due to the existence of the three facts). These six other cases showed the abuse of court process by the plaintiffs' solicitors;

(vi) there is no Practice Direction, Chief Registrar's Circular or Circular from the Registrar of the High Court of Malaya which has expressly provided that only the IP Court can hear intellectual property disputes (IP disputes) in West Malaysia. Based on the Practice Direction No. 6 of 2013 (PD No. 6/2013), the IP Court is only one of the "New Commercial Courts" to hear IP disputes which arise in Kuala Lumpur (KL). This is clear from para. 13 of PD No. 6/2013;

(vii) the IP Court is unlike the Construction Court in Kuala Lumpur and Shah Alam (Construction Court). By virtue of the Chief Registrar's Circular No. 2 of 2013 (CR's Circular No. 2/2013), the Construction Court has been specifically established to hear all construction disputes;

(viii) if the two suits are transferred to JB Court, the learned Judge or Judicial Commissioner serving in JB Court will be given the opportunity to be exposed to IP matters; and

(ix) reliance had been placed on the High Court's decision in *Asia Debut Sdn Bhd v. Kementerian Pendidikan Malaysia & Ors* [2014] 1 LNS 1339; [2015] 9 MLJ 770.

[9] Ms Su had opposed the two applications on the following grounds, among others:

(i) the two suits concerned copyright infringement. The "very purpose" of establishing the IP Court is for the IP Court to deal with all IP disputes. As such, the IP Court is the proper forum to try the two suits. Ms Su relied on the following cases:

(a) the High Court case of *Malacca Securities Sdn Bhd v. Loke Yu* [1998] 3 CLJ 22; and

(b) the Supreme Court's judgment in *American Express Bank Ltd v. Mohamad Toufic Al-Ozeir & Anor* [1995] 1 CLJ 273;

(ii) the two suits raise novel issues on copyright law which will be a precedent for the subordinate courts. Hence, the need for the two suits to be heard in the IP Court;

(iii) if the two applications are allowed, this will defeat the very objective of establishing the IP Court;

(iv) there is no prejudice to the defendants if the two suits are tried in the IP Court because:

(a) KL and JB are well-connected by express highways, trains and airplanes. Travelling between KL and JB is common and can be easily done in one day;

(b) if the two suits are decided in the defendants' favour, the defendants will be adequately compensated in costs; and

(c) if the two suits are disposed of summarily, trials will not be held. In such a case, witnesses need not travel from JB to KL; and

(v) even if s. 23(1) of the CJA has not been satisfied in the two suits, the court has inherent powers under s. 23(2) of the CJA to hear the two suits. Ms Su cited *Panaron Sdn Bhd v. Univac Switchgear Sdn Bhd* [2015] 2 CLJ 286.

IP Court's Jurisdiction To Try Cases

[10] Before I discuss the two applications, it is necessary to clarify the jurisdiction of the IP Court to try cases. This is because of Encik Mohd Fairuz's far-reaching contention that the IP Court can only try IP disputes which arise in KL. For this discussion, I will refer to art. 121(1)(a) of the Federal Constitution (FC), the meaning of "federal law" in art. 160(2) of the FC, the definition of "local jurisdiction" in s. 3 of the CJA, ss. 4 and 23 of the CJA as follows:

FC

Article 121(1) *There shall be two High Courts of co-ordinate jurisdiction and status, namely:*

(a) *one in the States of Malaya, which shall be known as the High Court in Malaya* and shall have its principal registry at such place in the States of Malaya as the Yang di-Pertuan Agong may determine; and

…

… and *the High Courts* and inferior courts *shall have such jurisdiction and powers as may be conferred by or under federal law.*

Article 160(2) *"federal law" means:*

(a) any existing law relating to a matter with respect to which Parliament has power to make laws, being a law continued in operation under Part XIII; and

(b) *any Act of Parliament;*

CJA

s 3 *"local jurisdiction" means:*

(a) *in the case of the High Court in Malaya, the territory comprised in the States of Malaya, namely, Johore, Kedah, Kelantan, Malacca, Negeri Sembilan, Pahang, Penang, Perak, Perlis, Selangor, Terengganu and the Federal Territory of Kuala Lumpur;* and …

4. *In the event of inconsistency or conflict between this Act and any other written law other than the Constitution in force at the commencement of this Act, the provisions of this Act shall prevail.*

23(1) Subject to the limitations contained in Article 128 of *the Constitution the High Court shall have jurisdiction to try all civil proceedings where:*

(a) *the cause of action arose;*

(b) *the defendant or one of several defendants resides or has his place of business;*

(c) *the facts on which the proceedings are based exist or are alleged to have occurred;* or

(d) any land the ownership of which is disputed is situated,

within the local jurisdiction of the Court and notwithstanding anything contained in this section in any case where all parties consent in writing within the local jurisdiction of the other High Court.

(2) Without prejudice to the generality of subsection (1), the High Court shall have such jurisdiction as was vested in it immediately prior to Malaysia Day and such other jurisdiction as may be vested in it by any written law in force within its local jurisdiction.

(emphasis added).

[11] I am of the following view regarding the jurisdiction of the IP Court to try cases:

(i) by virtue of art. 121(1)(a) of the FC, the IP Court as a High Court in Malaya has jurisdiction as conferred by "Federal law". Courts of Judicature Act is a "Federal law" as defined art. 160(2) of the FC. Section 23(1) of the CJA is a provision which expressly confers jurisdiction on the High Court to try cases. This is clear from Ahmad Maarop FCJ's judgment in the Federal Court case of *Goodness For Import And Export v. Phillip Morris Brands Sarl* [2016] 7 CLJ 303; [2016] 5 MLJ 171, at paras. 28 and 31, as follows:

28. … It is settled law that s 23(1) [CJA] also confers extra-territorial jurisdiction on the High Court, independently of O 11 of the RHC.

…

31. Does s 23(1) [CJA] applies in this case? In determining the question whether in this case the High Court has jurisdiction under that section, the allegations by the plaintiff in statement of claim must be assumed to be true. … (emphasis added);

(ii) according to s. 3(a) of the CJA, the "local jurisdiction" of the High Court in Malaya comprises of the "territory comprised in the States of Malaya", including the Federal Territory. As such, the IP Court has jurisdiction to try all cases within its "local jurisdiction" (West Malaysia) which fall within any one of paras. (a) to (d) of s. 23(1) of the CJA. In this regard, I cannot accede to Encik Mohd Fairuz's submission that the IP Court can only try IP disputes which arise in KL;

(iii) s. 4 of the CJA has expressly provided that if there is a conflict between CJA (such as s. 23(1)(a)) and any other written law (other than FC), CJA "shall prevail". Accordingly, if there is any inconsistency between:

A (a) ss. 3(a) (definition of "local jurisdiction") and 23(1)(a) of the CJA on the one part

(b) with PD No. 6/2013 and CR's Circular No. 2/2013 on the other part

B – s. 4 of the CJA clearly provides for ss. 3(a) (definition of "local jurisdiction") and 23(1)(a) of the CJA to prevail over PD No. 6/2013 and CR's Circular No. 2/2013;

(iv) the following decisions have explained the effect of Practice Directions:

C (a) Raja Azlan Shah LP decided in the Federal Court case of *Jayasankaran v. Public Prosecutor* [1983] 1 CLJ 171; [1983] CLJ (Rep) 182; [1983] 1 MLJ 379, at p. 184 (CLJ); p. 380 (MLJ), as follows:

> We are of the view that Practice Note No.2 of 1960 was intended to be no more than a direction for administrative purposes. It cannot be exalted into a rule of law reflecting the true effect of the requirements of section 307 of the [Criminal Procedure Code], and if it is wrong then the position should be rectified. We think it is wrong. (emphasis added);

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(b) in *Ooi Bee Tat v. Tan Ah Chim & Sons Sdn Bhd & Anor and Another Appeal* [1995] 4 CLJ 484; [1995] 3 MLJ 465, at p. 489 (CLJ); p. 470 (MLJ), Zakaria Yatim JCA (as he then was) delivered the Supreme Court's judgment that "Practice Directions are intended to be no more than a direction for administrative purpose."; and

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(c) the judgments of Steve Shim CJ (Sabah and Sarawak), Abdul Malek Ahmad FCJ (as he then was) and Mohtar Abdullah FCJ in the majority decision of the Federal Court in *Megat Najmuddin Dato' Seri (Dr) Megat Khas v. Bank Bumiputra (M) Bhd* [2002] 1 CLJ 645; [2002] 1 MLJ 385, at 403-404, 418 and 428, have held, among others, that Practice Directions do not have statutory authority and cannot supersede or deviate from rules of court;

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(v) in view of s. 4 of the CJA and the appellate decisions in the above sub-para. (iv), no reliance can be placed on PD No. 6/2013 and CR's Circular No. 2/2013 to confine the IP Court's jurisdiction to try IP disputes which arise in KL only; and

H (vi) for the purpose of deciding whether the High Court in Malaya has jurisdiction to try a case, the court must assume the contents of the two SOC to be true – Goodness For Import And Export, at para. 31. Based on the two SOC (please see the above para. (iv), the three facts occurred in JB, within the "local jurisdiction" (territory in West Malaysia) of the IP Court. Accordingly, the IP Court has the jurisdiction under s. 23(1)(a), (b) and/or (c) of the CJA to try these two suits.

I

Court's Discretionary Power To Transfer Cases Under O. 57 r. 1(1) Of The RC

[12] The relevant part of O. 57 r. 1 of the RC provides as follows:

> 1(1) *Where the Judge of the High Court* or a Judge of the Sessions Court or a Magistrate *is satisfied that any proceedings in that Court can be more conveniently or fairly tried in some other Court of co-ordinate jurisdiction, he may on application by any party, order the proceedings to be transferred to the other Court.*
>
> …
>
> (4) *Before making any order to transfer any proceedings from*:
>
> (a) *the High Court to another High Court of co-ordinate jurisdiction*;
>
> …,
>
> *the High Court Judge* or the Judge of the Sessions Court or Magistrate, as the case may be, *shall take into consideration whether the High Court* or Subordinate Court *which shall hear the case is located at or nearest to the place where*:
>
> (A) *the cause of action arose*;
>
> (B) *the defendant, or one of the several defendants, resides or has his place of business*;
>
> (C) *the facts on which the proceedings are based exist or are alleged to have occurred;*
>
> (D) *the land the ownership of which is disputed is situated*; or
>
> (E) *for other reasons it is desirable in the interests of justice that the proceedings should be transferred*.

(emphasis added).

[13] I am of the following opinion concerning O. 57 r. 1(1) of the RC:

(i) Order 57 r. 1(1) of the RC is not found in the previous Rules of the High Court 1980. Prior to the introduction of O. 57 r. 1(1) of the RC, civil cases have been transferred by relying on s. 20 of the CJA and para. 12 of the Schedule to CJA (para. 12). Section 20 of the CJA and para. 12 read as follows:

> 20. The distribution of business among the Judges of the High Court shall be made in accordance with such directions, which may be of a general or a particular nature, as may be given by the Chief Judge.

A

Paragraph 12

Power to transfer any proceedings to any other Court or to or from any subordinate court, and in the case of transfer to or from a subordinate court to give any directions as to the further conduct thereof:

B

Provided that this power shall be exercised in such manner as may be prescribed by any rules of court.

Previous cases regarding the court's power to transfer cases based on s. 20 of the CJA and/or para. 12 do not apply to the construction of O. 57 r. 1(1) of the RC;

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(ii) in *Hap Seng Plantations (River Estates) Sdn Bhd v. Excess Interpoint Sdn Bhd & Anor* [2016] 4 CLJ 641; [2016] 3 MLJ 553, at para. 19, Zulkefli Makinudin CJ (Malaya) in the Federal Court held, among others, O. 57 r. 1(1) of the RC does not allow a transfer of cases between the High Court of Malaya and the High Court in Sabah and Sarawak. The High Court's decision in *Asia Debut* (which allowed the transfer of a case from the KL High Court to the High Court in Kota Kinabalu), cited by the defendants' learned counsel, was not followed in *Hap Seng Plantations (River Estates)*;

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(iii) Order 57 r. 1(1) of the RC provides a discretionary power for the court to transfer cases. This is clear from the use of the permissive term "may" in O. 57 r. 1(1) of the RC. In exercising the court's discretionary power under O. 57 r. 1(1) of the RC, there are two cumulative conditions to be fulfilled, namely:

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(a) the court "shall take into consideration" the matters enumerated in O. 57 r. 1(4)(A) to (E) of the RC (first condition); and

(b) the court "is satisfied that any proceedings in that court can be more conveniently or fairly tried in some other court" (second condition); and

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(iv) the exercise of the court's discretion to grant a transfer or otherwise in a particular case, must necessarily depend on the particular affidavit evidence adduced in the case in question. As such, the exercise of judicial discretion in a transfer application under O. 57 r. 1(1) of the RC, is not a binding precedent from the viewpoint of the *stare decisis* doctrine.

H

Should IP Court Transfer Two Suits To JB Court?

[14] In deciding these two applications:

(i) regarding the first condition:

I

(a) I am of the view that the following matters are relevant in the exercise of the court's discretion to transfer the two suits to JB Court:

(i) the cause of action for the two suits arose in JB – O. 57 r. 1(4)(A) of the RC;

(ii) the defendants' places of business are in JB – O. 57 r. 1(4)(B) of the RC. The residential addresses of the defendants' directors are not relevant because under s. 16(5) of the Companies Act 1965, the defendants are legal entities which are separate from their directors, shareholders and employees; of the and

(iii) the facts on which the two suits are based, are alleged to have occurred in JB – O. 57 r. 1(4)(C) of the RC; and

(ii) the following matters do not constitute reasons whereby "it is desirable in the interests of justice that the proceedings should be transferred" to JB Court under O. 57 r. 1(4)(E) RC:

(a) the expense, time and inconvenience for the defendants' witnesses and KPDNKK officers to travel from JB to the IP Court to testify in these two suits. Such reasons are not relevant because firstly, all the parties in these cases may consent to a court order under O. 38 r. 2(1) of the RC to allow these witnesses to testify in JB through Skype – please see *China Harbour Engineering Co Ltd v. Lunar Shipping Agencies Sdn Bhd* [2016] AMEJ 1185, at sub-para. 47(2)(d);

(b) even if the defendants' witnesses and KPDNKK officers have to travel from JB to testify in the IP Court, if the defendants succeed at the end of the trial, the defendants will be sufficiently compensated in respect of all the expenses incurred by the defendants' witnesses and KPDNKK officers, in the form of costs to be paid by the plaintiffs to the defendants; and

(c) all the parties in the two suits may consent to the contents of the servers as "Part B" documents under O. 34 r. 2(2)(e)(i) of the RC, namely parties may only dispute the weight to be attached to the contents of the servers but not their authenticity. Even if the parties cannot agree that the contents of the servers be classified as "Part B" documents, the expense incurred by KPDNKK in adducing the servers at the trial of these cases, can be claimed by the defendants as part of the costs of the two suits (provided that the defendants succeed at the end of the trial); and

(iii) in respect of the second condition, despite the fact that the three facts are relevant under O. 57 r. 1(4)(A) to (C) of the RC (please see the above para. 14(i)(a)), I have declined to exercise my discretion under O. 57 r. 1(1) of the RC to transfer the two suits to JB Court (this decision). This decision is premised on the following reasons:

(a) there is no affidavit evidence to show why the two suits cannot be "fairly tried" in the IP Court;

A (b) the two suits can be "more conveniently" tried in the IP Court which specialises solely in IP matters. There is no IP Court in JB;

(c) the purposes for establishing the IP Court on 17 July 2007 are:

(i) to promote, if not ensure, the uniformity, consistency and predictability in the development of IP jurisprudence and case law by the IP Court;

B

(ii) the uniformity, consistency and predictability in IP jurisprudence and case law as developed by the IP Court, may in turn:

C

(iia) attract foreign investors in respect of IP matters to this country;

(iib) benefit all parties who deal with or are involved in IP matters; and

D

(iic) assist IP practitioners, be they be lawyers, patent agents and trade mark agents; and

(iii) to promote IP specialisation of the judge or Judicial Commissioner sitting in IP Court; and

E (d) the very objective of establishing the IP Court will be defeated by allowing the transfer of the two suits to JB Court. In fact, IP cases which have been filed in West Malaysia in High Courts outside KL, should be transferred to the IP Court under O. 57 r. 1(1) of the RC so as to achieve the very purpose of constituting the IP Court. Accordingly, the fact that the six other cases have been filed in KL

F subordinate courts, are consistent with the purposes for setting up the IP Court.

Decision

G **[15]** Premised on the above reasons, the two applications are dismissed with costs of RM2,000 for each application and an allocatur fee shall be imposed on the above costs in accordance with O. 59 r. 7(4) of the RC.

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